



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

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Fifth District

February 22, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR RENEWAL OPTION AND LEASE AMENDMENT
DEPARTMENT OF COMMUNITY AND SENIOR SERVICES
3333 WILSHIRE BOULEVARD, LOS ANGELES
(SECOND DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to exercise the five-year renewal option and sign the attached Lease Amendment No. 1 for Lease No. 72381 with 3333 Wilshire, LLC (Landlord), for 21,945 rentable square feet of office space located at 3333 Wilshire Boulevard, for use by the Department of Community and Senior Services (DCSS), at the initial annual rent of \$326,542. The rental costs are fully funded by Federal and State sources. The new five-year lease term will commence upon expiration of the current lease term.
2. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Administrative Office (CAO) and DCSS to implement the project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since March 2000, DCSS has occupied space at the subject facility to relieve overcrowding at 3175 West Sixth Street. The subject facility provides housing for approximately 120 staff that provides Countywide centralized administrative functions and support. The programs include Branch Administration, Area Agency on Aging, Adult Protective Services and Domestic Violence. The office facilities are frequently used by approximately 168 visitors in conjunction with DCSS operations, for monthly program meetings, public meetings, and training.

The current five-year lease term is due to expire February 28, 2005 and the department has requested the lease be renewed for an additional five years. Adoption of the lease amendment will provide DCSS continued and uninterrupted use of the office space. This approach will enable the County to avoid the cost to build-out new Tenant Improvements (TI) in a similar facility, including telecommunications, furniture, parking and relocation costs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide the public with easy access to quality information and services that are both beneficial and responsive (Goal 1). The proposed lease amendment supports this goal with centrally located administrative offices for DCSS as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease amendment will provide DCSS uninterrupted use of 21,945 rentable square feet of office space and 100 parking spaces at a base monthly rent of \$27,212 or \$326,542 annually.

3333 WILSHIRE BOULEVARD	EXISTING LEASE	PROPOSED AMENDMENT	CHANGE
Area (Square feet)	21,945	21,945	None
Term	03/01/1999 - 02/28/2005	03/01/2005 - 02/28/2010	+ five years
Annual Base Rent	\$333,360 or \$15.19/sq. ft., full-service gross	\$326,542 or \$14.88/sq. ft., full-service gross	-\$6,818
Annual Amortized Tenant Improvements	\$104,731 or \$4.77/sq. ft.,	None	No Tenant Improvements
Parking (included in base rent)	100 off-street spaces	100 off-street spaces	None
Cancellation	County may cancel after 24 months upon 90 days prior written notice	County may cancel after 24 months upon 90 days prior written notice	None
Option to Renew	One five-year	None	No Option
Purchase Right	None	None	None
Rental Adjustment	CPI capped at 3%	CPI capped at 3%	None

Sufficient funding for the base rent of the proposed amendment is included in the 2004-2005 Rent Expense Budget and will be billed back to DCSS.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment will provide uninterrupted use of 21,945 rentable square feet of office space and 100 parking spaces. The amendment extends the term under the same terms and conditions provided in the original lease except as shown below.

- The five-year term will commence March 1, 2005, upon expiration of the current term;
- The County will retain the right to cancel the lease after 24 months upon 90 days prior written notice;
- The current monthly base rent will be reduced from \$27,780 to \$27,212 or \$1.24 per square foot and all reimbursable TI will have been paid.
- The monthly rent will be subject to annual Consumer Price Index adjustment not to exceed three percent;

The CAO Real Estate Division staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any more economically suitable sites in the surveyed area that could accommodate this space requirement. Staff has established that the rental range for similar space is between \$14.40 and \$16.20 per square foot per year full-service gross. Thus, the base annual rental rate of \$14.88 full-service gross for the proposed lease represents the low range of the market for the area. Attachment B shows all County-owned or leased facilities in the proximity of the service area, and there are no County-owned or leased facilities available for this program.

The Department of Public Works has completed a seismic inspection of the facility and found it suitable for the County's continued occupancy. In addition, the Office of Affirmative Action Compliance reviewed the facility and all issues of access for disabled individuals were resolved by the landlord.

The construction and operational costs associated with a childcare facility at this location are not financially feasible for the department at this time.

LEGAL/NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section (b) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed lease amendment is in the best interests of the County and will provide the space necessary for DCSS to continue program operations. In accordance with your Board policy on the housing of any County offices or activities, the DCSS concurs in the lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the certified copies of the Minute Order and the adopted, stamped Board letter and two copies of the executed Amendment No. 1 to Lease No. 72381 to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CEM:MM:hd

Attachments (3)

c: County Counsel
Auditor-Controller
Department of Community and Senior Services

DEPARTMENT OF MENTAL HEALTH
3333 WILSHIRE BOULEVARD, LOS ANGELES
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²	X		
	B	Does lease co-locate with other functions to better serve clients? ² The Department will continue to use the building exclusively for DCSS programs.		X	
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ²	X		
2.	<u>Capital</u>				
	A	Should this program be in leased space to maximize State/Federal funding?	X		
	B	If not, is this a long term County program?			X
	C	Is it a substantial net County cost (NCC) program? 0% NCC		X	
	D	If yes to 2 B or C; is it a capital lease or an operating lease with an option to buy?			X
	E	If no, are there any suitable County-owned facilities available?			X
	F	If yes, why is lease being recommended over occupancy in County-owned space?			X
	G	Is Building Description Report attached as Attachment B?	X		
	H	Was build-to-suit or capital project considered? Size of the project and budget constraints prohibited the consideration of a build-to-suit or capital project.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?		X	
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" parking area.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. ___ The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		¹ As approved by the Board of Supervisors 11/17/98			

²If not, why not?

DEPARTMENT OF MENTAL HEALTH
SPACE SEARCH - 5 MILE RADIUS FROM 3333 WILSHIRE BOULEVARD, LOS ANGELES

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET
5461	DHS-HOLLYWOOD/WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LOS ANGELES 90038	27578	14811
5805	MENTAL HEALTH COURTHOUSE	1150 N SAN FERNANDO RD, LOS ANGELES 90065	28523	16817
C760	DPSS-EAST L A GROW EMPLOYMENT SERVICES CENTER	2200 N HUMBOLDT ST, LOS ANGELES 90031	23655	17554
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	131744	125156
A532	HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD (AT NORMANDIE), LOS ANGELES 90010	109137	98224
A160	MENTAL HEALTH-HEADQUARTERS OFFICE ANNEX	3160 W 6TH ST, LOS ANGELES 90020	60800	28372
A369	DCFS-PROCUREMENT AND SPECIAL SERVICES OFFICE	501 SHATTO PL, LOS ANGELES 90020	17751	15976
A408	DCFS-THE U S BORAX BUILDING	3075 WILSHIRE BLVD, LOS ANGELES 90010	132488	105568
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	76304	67731
A425	DCFS-DEPARTMENTAL HEADQUARTERS BUILDING	425 SHATTO PL, LOS ANGELES 90020	80756	76065
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52230	42341
X510	PARKS & REC-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31540	24835
X532	DCSS-LE SAGE COMPLEX 1 STORY BUILDING	532 S VERMONT AVE, LOS ANGELES 90020	14126	10314
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171651	149668
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31862	21777
B695	HEALTH-IMMUNIZATION PRGM/ENVIRONMENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	14274	12847
C660	DPSS-GAIN PROGRAM REG IV/ MEDICAL OUTSTATION	2910 W BEVERLY BLVD, LOS ANGELES 90057	120327	33635
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62000	60140
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	42065
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115242	89650
5266	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	303434	125469
0155	STANLEY MOSK COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	794459	441761
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	958090	591457
3155	THE MUSIC CENTER-DE LISA BUILDING/ THE ANNEX	301 N GRAND AVE, LOS ANGELES 90012	27582	17978
5456	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221359	134851
5546	DHS-CENTRAL PUBLIC HEALTH CENTER	241 N FIGUEROA ST, LOS ANGELES 90012	60924	34748
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	83164	79006
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST (KAWADA BUILDING), LOS ANGELES 90012-3503	29013	26082
0101	HALL OF JUSTICE (NOT HABITABLE)	211 W TEMPLE ST, LOS ANGELES 90012	570811	306487
0156	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438095	258677
3154	CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTR	210 W TEMPLE ST, LOS ANGELES 90012	1036283	399535
Y013	DPSS-CIVIC CENTER DISTRICT/GROW CENTER OFFICE	813 E 4TH PL, LOS ANGELES 90013	39956	25158
5979	CENTRAL ARRAIGNMENT COURTHOUSE	429 BAUCHET ST, LOS ANGELES 90012	83692	30638
C863	MED CTR-PATIENT FINANCIAL SERVICES OFFICE	1910 N MAIN ST, LOS ANGELES 90031	13300	8919
5260	CORONER-ADMINISTRATION / INVESTIGATIONS BLDG	1102 N MISSION RD, LOS ANGELES 90033	22479	14251
0808	MED CTR-OLD ADMINISTRATION BUILDING (UNUSED)	1100 N MISSION RD, LOS ANGELES 90033	18651	11430
6304	PROBATION-CRENSHAW AREA OFFICE	3606 W EXPOSITION BLVD, LOS ANGELES 90016	19112	14020
5276	DHS-DR RUTH TEMPLE PUBLIC HEALTH CENTER	3834 S WESTERN AVE, LOS ANGELES 90016	29023	16627
5276	DHS-DR RUTH TEMPLE PUBLIC HEALTH CENTER	3834 S WESTERN AVE, LOS ANGELES 90016	29023	16627
A436	DPSS-EXPOSITION PARK FAMILY SERVICE CENTER	3833 S VERMONT AVE AT 38TH STREET, LOS ANGELES 90037	127511	110500
6578	DPSS-METRO EAST AP DISTRICT OFFICE	2855 E OLYMPIC BLVD, LOS ANGELES 90023	63066	29220

**AMENDMENT NO. 1 TO LEASE NO. 72381
3333 WILSHIRE BOULEVARD, LOS ANGELES**

THIS AMENDMENT NO. 1, TO LEASE NO. 72381 made, entered and dated as of this _____ day of _____, 2005 by and between 3333 WILSHIRE, LLC, a California limited liability company, hereinafter referred to as "LESSOR" and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "LESSEE".

WITNESSETH

WHEREAS, a Lease and Agreement by and between Core Investment Group, LLC, as Lessor, and the County of Los Angeles as Lessee was executed on September 7, 1999, pursuant to which Lessor leased to Lessee those certain Premises located at 3333 Wilshire Boulevard, Los Angeles, California, more particularly described as approximately 21,945 rentable square feet of office space consisting of the entire 4th floor and 100 structured/surface parking spaces and;

WHEREAS, 3333 Wilshire, LLC, successor to Core Investment Group, LLC, is now the Lessor, and retains all rights and responsibilities granted as a result pursuant to Lease No. 72381 dated September 7, 1999 and;

WHEREAS, Lessor and Lessee desire to amend the terms of the Lease and Agreement to renew the term and adjust the rental rate and;

WHEREAS, the terms of this Amendment No. 1 to Lease No. 72381 will not become effective until such time that said Amendment is executed by all parties herein.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained, and intending to be legally bound, Lessor and Lessee hereby covenant and agree as follows:

1. **TERM:** Effective upon execution of this Amendment by the parties herein, Paragraph 2,A, ORIGINAL TERM, is deleted in its entirety and the following substituted therefor:

The term of this Lease commenced March 1, 2000 and is hereby extended such that it will terminate on February 28, 2010, unless otherwise extended or renewed, or terminated earlier in accordance with the conditions and provisions contained herein or in future amendment executed in writing between the parties.

2. **RENT:** Effective upon execution of this Amendment by the parties herein, and for the remainder of the Term but not retroactively, Paragraph 3, RENT, is hereby deleted in its entirety and the following is substituted therefor:

The Lessee hereby agrees to pay as rent for said demised Premises during the term, including any extensions or renewals, the sum of twenty-seven thousand two-hundred eleven and 80/100 dollars (\$27,211.80) per month, i.e., \$1.24 per rentable square foot per month, payable in advance by Auditor's General Warrant. Rental payments shall be payable within fifteen days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefor for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

3. **CANCELLATION:** Effective upon execution of this Amendment by the parties herein, Paragraph 5, CANCELLATION, is hereby deleted in its entirety and the following is substituted therefor:

Lessee shall have the right to cancel this Lease at or any time after twenty-four months from the commencement of the extended term pursuant to this Amendment (i.e., March 1, 2005) by giving the Lessor not less than ninety (90) days prior written notice by Chief Administrative Office letter.

4. **NOTICES:** Paragraph 15, NOTICES, is hereby deleted in its entirety and the following is substituted therefor:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service. Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

3333 Wilshire, LLC
3350 Wilshire Boulevard, Suite 1120
Los Angeles, CA 90010

or such other place as may hereinafter be designated in writing by the Lessor except that Lessor shall at all times maintain a mailing address in California. The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, CA 90012

with a copy to:

Chief Administrative Office, Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

5. Wherever a conflict exists in the terms or conditions of Amendment No. 1 to Lease No. 72381 and the original Lease, the terms and conditions of this Amendment shall prevail. All other terms and conditions of the Lease remain unchanged and are hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 1 to Lease No. 72381 or caused it to be duly executed, and the County of Los Angeles has caused this Amendment to be executed by the Chief Administrative Officer, or his designee and attested by the Clerk thereof the day, month, and year first above written.

LESSOR
3333 WILSHIRE, LLC

By John H. Kim
Name: John H. Kim
Title: Sr. VP. Director of Leasing

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

COUNTY OF LOS ANGELES

By _____
Deputy

By _____
Chair, Board of Supervisors

APPROVED AS TO FORM:
Office of the County Counsel

By Francis E. Scott
Francis E. Scott
Principal Deputy County Counsel

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3333Amd1